

Dear ECF Bronze member,

2019 ECF Finance Council Meeting

We are writing to tell you about the ECF Finance Council Meeting (“FCM”) which takes place on Saturday 27 April and to seek your input on how, as your representatives, we should vote.

(For some background on the workings of the ECF and its Council meetings, please see the section on the last page of this paper. Following that is a brief report of last October’s AGM.)

The agenda for the meeting is [here](#). Supporting papers can be found [here](#). Also relevant is discussion on the [EC Forum](#) (see the ‘ECF Matters’ section). Documents relating to representation of Bronze members can be found [here](#).

Our guess is that the issues most likely to be of interest to Bronze members are:

1. The budget for 2019/20 (the first part of item 7 on the agenda), in particular the budget for international chess (item 9);
2. The proposals on membership fees (second part of item 7 and also item 8(b));
3. The use of trust funds to fund junior chess (item 8(a)); and
4. Female representation in the national stages of the county championships (item 10).

We’re very eager for your feedback. The more responses we get, the better we’ll know what Bronze members want and the better we’ll be able to represent you. Please send feedback on the above-listed issues (and any other Council issues) to us at: angusmisc@angusf.myzen.co.uk; gareth.wholesalechess@googlemail.com

Taking each of the four issues listed above in turn...

1. The budget for 2019/20 and in particular the budget for international chess.

Last October’s AGM approved, by 160 votes to 107, a revised budget for 2018/19 with additional expenditure for Women’s chess, the ECF Office and International chess, and new expenditure to cover the appointment of a Development Officer. Extra expenditure amounting to £44,500 was agreed, with £26,000 coming from the ECF’s own funds and, subject to their agreement, £18,500 coming from associated chess trusts. The idea was that the extra expenditure would continue through to, at least, 2019/20 and 2020/21. ECF funding would be covered by increases in membership fees and increases in membership numbers. The Bronze adult fee, for example, would rise from the current £16 to £18 in 2019/20 and £20 in 2020/21. Membership numbers would increase by 500 for each of the three years starting 2018/19. A paper titled ‘[Challenges for English Chess](#)’ described the changes and has been reissued for the FCM. Further information can be found in the [Finance Director’s report](#) and in the [Management Accounts spreadsheet](#).

So: the budget now presented by the Board for 2019/20 continues on from the revised 2018/19 budget. Let’s quickly visit each of the areas of new/increased expenditure to see where we are, six months on.

- **Creation of a Development Officer position.** The remit provided for the position was to increase the number of members (above and beyond the existing plans for 500 new members a year) and to address “the demographic time bomb” (the membership is ageing; a large number of members are seniors while not many are of the generation after school-leaving age). The funding would come from the ECF (£5K/year), out of generated revenue (up to £10K/year) and from the Chess Trust (£5K/year).

YOUR REPS SAID AT THE TIME: *“We agree it would be a very good thing if competitive chess had wider appeal - among females and younger (post-school-age) people in particular - but more information on how this might be achieved would be welcome.”*

WHERE WE ARE NOW: It appears that a Development Officer is yet to be appointed and, judging by the Finance Director’s report and recent Board meeting minutes, the funding from the Chess Trust may not yet be in place. We need a progress update from the Board.

- **Women’s chess.** We were told that female participation in open events (not including events restricted to females and not including junior events) is typically less than 5%. This is far too low and not good for the image of chess. To improve female participation the Board wanted to increase expenditure from £5K/year to £15K/year with: £10K (up from £5K) spent on support for women in British Chess Championships and the English Women’s Championships; and £5K spent on support of clubs and other organisations which encourage female participation. The first £5K would come from ECF funds and the second £5K from the trust funds.

WE SAID: Please see what we said against the preceding item.

UPDATE: It’s not clear whether funding from the chess funds is yet arranged. However, the 2019 English Women’s Championship has been announced and the [March Newsletter](#) says it will be part of the English Chess Women’s Festival which will also include a chess lecture, coaching sessions, a simultaneous display and a formal reception. We see also that financial support has been provided for female participation in the Southend Congress at Easter.

- **The ECF Office.** The Board asked for more money - £12K/year paid for out of ECF funds - to cover staff pay increases (since salaries appeared to have fallen below market rates) and to pay for extra staff resource.

WE SAID: We agreed that ECF Office staff should be properly remunerated. We wondered, though, about the need for extra staff resource at the Office. Shouldn’t the move to a new membership system have freed resources?

UPDATE: The [Finance Director’s report](#) says *“The Board has agreed to a salary increase during this year which has been delayed while the Office Manager has had to take leave of absence. During his absence additional hours have been worked to maintain the Office services and Andrew Walker has acted as Office Manager. These changes have impacted costs, but are covered by the additional sum £12,000 approved by Council in October.”*

- **International chess.** Additional expenditure was requested to cover: team events - £7K in 2018/19 and £9.5K in 2019/20 (taking expenditure in those years to £43K and £37.5K); senior chess - £3K in both years; elite development training - £1K each year; world championship cycle support - £2K each year; norm tournament support - £2.5K each year; and, analytical support - £2K each year. For each year, and averaged out, £8.5K would come from trust funds and £9K from ECF funds.

WE SAID: We were concerned about the level of expenditure on international chess and the extent to which it's supported by the ECF's own funds (rather than by income from sponsorship, donations and trust funds). We were concerned, in particular, about the level of expenditure on team events: apparently £43K for the 2018 Olympiad and £42.5K for the 2017 European Teams. UPDATE: Generally the AGM seemed happy with the other expenditure increases but concern was expressed about increasing the international budget. Angus proposed from the floor that expenditure from ECF funds (i.e. excluding sponsorship, donations and contributions from trust funds) be capped at £30,000 a year (in-line, until recently, with expenditure in previous years). But this was disallowed by the Chair. The accounts now show Olympiad expenditure was £44,755 with contributions from outside sources of £9,460. Malcolm Pein, the International Director, provided an initial [breakdown of income and expenditure](#). We have asked for the breakdown to be updated as the headline figures have changed and as we'd like more detail: how much was spent on each of the two teams (Open and Women's) and a breakdown of the "fees" figure, in particular, how much was spent on appearance fees – might it be as much as £20,000? With the support of our colleagues, the Silver members' reps, we have now submitted a motion to cap expenditure on international chess from the ECF's own funds at £30,000 for each of the next three years with a review to follow. Please see the [supporting paper](#) for the more information. Malcolm Pein has written papers to explain the [budget for international chess](#) and to examine the [directorate's performance](#) against Key Performance Indicators.

That's the expenditure changes covered. What about the funding of the same? Recall that extra funding was to come from associated trust funds (£18.5K/year) and from the ECF's own funds (£26K/year). It's not clear (from reading the [Finance Director's report](#) and recent Board meeting minutes) that agreement has yet been reached with the trust funds. The extra funding from the ECF's own funds is reliant both on increases in membership fees and on increases in membership numbers. Putting aside for a moment the membership fee increases (see the next section for that), and turning to the increases in membership numbers. This is something we are very concerned about as we don't see where the numbers are coming from and the forecast increases for the current year are now low. After four years of losses and projected losses, we are concerned that the federation's reserves are at serious risk of depletion. Angus has written about this with supporting information [here](#).

Your reps are strongly inclined to support the capping proposal and to vote against the budget as we are doubtful about funding. We'd happily change our mind on the latter if convincing information is provided, otherwise we think the Board needs to reassess. But please tell us what you think.

2. The proposals on membership fees (second part of item 7 and also item 8(b)).

The Board is proposing increases for most categories of membership for the next two years. The adult Bronze membership rate would increase from the current £16 to £18 for 2019/20 and to £20 for 2020/21. The junior Bronze rates would stay the same at £6.

The Northern Counties Chess Union has proposed that increases in membership fees are limited to the rate of inflation.

For a table of actual and projected membership fees since the inception of the membership scheme please see [here](#).

The inclination of your representatives is to vote against the increases proposed by the Board but to support the inflation-rate increases proposed by the NCCU. However, increases are necessary to support the budget and likely the budget and the fee increases proposed by the Board will be voted on together, as a composite motion.

Please tell us what you think.

3. The use of trust funds to fund junior chess.

The Northern Counties Chess Union have proposed (item 8.(b) on the agenda) that the ECF investigates whether it is possible for the associated trust funds to provide greater financial assistance to support the “youth development plan”.

A supporting paper to explain and develop the proposal would have been useful. That said, your reps also wonder if there is scope for increased contributions from the trust funds to support junior chess. The extent of existing support from the trusts isn't clear from the accounts while funding from the ECF's own funds is forecast or planned to be a little short of £20,000 a year. We understand that both the John Robinson Youth Trust and the section of the Chess Trust bequeathed by Richard Haddrell have remits to support junior chess and perhaps a total of £1 million at their disposal.

4. Female participation in the national stages of the county championship.

The proposal is that each team in the Open section of the national stages of the county championships should field at least one female player with qualification requirements for that player to be put aside.

We're not sure how many Bronze members play in the national stages of the county championships but your reps will, in large part, be guided on how to vote by your feedback. There is discussion of the motion [here](#).

Please tell us what you think.

In this message we are conscious that we've been quite critical but we think we need to be. We wish we had more positive stories to tell.

Please let us know your views on the above - and anything else on the agenda - so that we can cast our votes as your representatives accordingly and possibly ask questions at the meeting. The more responses we get, the greater the weight of your (collective) opinion. **We would also urge you to express your views to the ECF Council representative(s) for the league(s) in which you participate.**

PLEASE send replies direct to us at angusmisc@angusf.myzen.co.uk; gareth.wholesalechess@googlemail.com.

2018 AGM

This took place last October. Our consultation message is available [here](#). Draft minutes are available [here](#) and a breakdown of the card votes is [here](#). An [EC Forum thread](#) reports and discusses the happenings at the AGM.

A record of the feedback received from Bronze members is available from [here](#). We tried to respond to all feedback we received before the meeting but regret that we didn't quite get around to responding to everyone. We did read all the feedback we received before the meeting and were grateful for the input provided.

In line with feedback and what we said in our consultation message, your representatives voted:

- For the motion raised by the Silver members' representatives "*to remove the specification of future proposed membership increases from the revised budget proposals*". We didn't think Council should bind future finance meetings on what membership rates to set; that's the job of the future meetings.
- Against the revised budget and proposed future increases in membership fees (these were voted on together in a composite motion).
- Against adoption of the strategy statement.

In the elections we split votes for the Home Director position: eight votes for Adrian Elwin and four votes for Tim Wall. We liked both candidates and this was a difficult decision to make. We had slightly more messages of support for Adrian. We liked Tim's proposal paper for the creation of a Development Officer position and what he said about developing chess at the grassroots level. We had the impression Tim was quite close to the International Director, Malcolm Pein, and were a little wary of that - on the other hand, we thought Adrian would be an independent voice on the Board.

Background on the workings of the ECF and its Council meetings

Most ECF decisions are taken by the Board and Officers but the more important decisions are taken by ECF Council. ECF Council meets twice year:

- in October for its AGM, to receive reports from Board members and senior officers, to consider proposals and to elect various directors and senior officers (there are elections for one third of these positions; each director/officer serves a three-year term); and,
- In April for its Finance meeting, to approve the previous year's accounts, to set a Budget for the following year and to consider (typically finance-related) proposals.

For the most part, Council is made up of representatives of the leagues, tournaments, unions and other groups which organise the playing of graded chess. Each membership category also has up to two representatives. And Board members and senior officers are members of Council. Council meetings are usually attended by forty to fifty individuals (some acting as proxies for other representatives) with, in theory, over 330 votes at their disposal. Bronze members' representatives have six votes each to cast.

Angus French and Gareth Ellis, Bronze Members' Representatives on ECF Council

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